

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 171 (First Edition)

SHORT TITLE: Modify Film Grant Fund.

SPONSOR(S): Representatives Davis, Lewis, Saine, and Iler

FISCAL IMPACT (\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Expenditures:	\$66.0	\$66.0	\$66.0	\$66.0	\$66.0
NET STATE IMPACT	(\$66.0)	(\$66.0)	(\$66.0)	(\$66.0)	(\$66.0)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Dept of Commerce; Dept of Revenue					
EFFECTIVE DATE: July 1, 2015					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

The bill amends The Film and Entertainment Grant Fund (G.S. 143B-437.02A) in the following ways:

- Changes the amount of qualifying expenses required by a production company:
 - feature-length film, \$1 million in expenses (was \$5 million);
 - video or television series, \$1 million in expenses per episode (was \$250,000).
- Modifies grant amount caps:
 - feature-length film for theatrical viewing cannot exceed \$10 million (was \$5 million);
 - feature-length film for television viewing, television or video pilot, or television or video series episode cannot exceed \$2 million (was \$5 million);
- Modifies prohibitions and definitions;
- Authorizes the Secretary of Commerce to enter into an agreement with a production company, not to exceed five years. Also provides that such an agreement is a binding obligation, not subject to State funds being appropriated by the General Assembly; and
- Appropriates \$66 million in recurring funds from the General Fund to the Film and Entertainment Grant Fund beginning in Fiscal Year 2015-16.

ASSUMPTIONS AND METHODOLOGY:

Section 1(e) of the bill requires Commerce to provide the Department of Revenue relevant information for inclusion in the economic incentives report itemized for each production company receiving a grant. This requirement should not have a fiscal impact on the Department of Revenue.

Section 2 of the bill appropriates \$66 million from the General Fund on a recurring basis starting in FY 2015-16 to the Film and Entertainment Grant Fund for purposes of awarding grants to qualifying productions.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

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DATE: March 27, 2015



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